

Table 5-1: Risk Categories

Risk Category	Definition
Technical Risk	These include risks relative to accuracy and response time performance, security and privacy considerations, capacity, maintainability, and implementation and conversion problems.
Economic Risk	This category includes the risk of failing to maintain within the project budget.
Schedule Risk	This is the risk of failure to adhere to the project schedule. Delays due to schedule slippage may present a significant risk to the project.
Operational/Support Risk	These are the risks associated with either 1) failure to deliver the system, or 2) delivery of a system that does not meet the State's requirements.
Client/User Satisfaction Risk	This is the risk that either 1) clients have difficulty accessing their benefits or 2) users have difficulty using the system.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7 Implementation Plan (*Mandatory Scorable*)

The Implementation Plan is a Mandatory Scorable requirement.

Maximum possible points for Implementation Plan: 80 points

Refer to Section 9.3.4.2.4 for detailed scoring methodology.

Bidders shall submit an Implementation Plan with the final proposal in response to the State's implementation approach outlined below. Work plans included in the Implementation Plan shall be prepared using Appendix M, which contains the EBT Work Plan Framework files on compact disk (CD) and instructions for completion of the work plans. The Implementation Plan shall outline the schedule, activities, tasks, subtasks and milestones necessary to ensure the successful implementation of EBT statewide as required by the implementation approach described below. The schedule shall assume concurrent implementation of Food Stamps and cash programs in every county.

Current Federal law requires that Food Stamp EBT implementation be completed statewide no later than October 1, 2002. California desires to implement EBT as expeditiously as is prudent, and to complete Food Stamp EBT implementation in compliance with the Federal deadline as nearly as possible.

At a minimum, the Bidder's Implementation Plan shall include the following:

- Implementation Work Plan and schedule with implementation tasks and deliverables from Pilot County implementation through full statewide implementation;
- County Implementation Work Plan Template with all Contractor and county implementation tasks, subtasks and deliverables necessary to implement EBT in a county;
- County Implementation Work Plan for implementation in the Pilot County (Pilot County Work Plan);
- Description of phased statewide implementation readiness determinations;
- Proposed staffing throughout the Implementation Phase;
- Schedules such as the following (provide samples with the final proposal of each schedule listed below):
 - Equipment installation schedules and plans for POS terminal deployment and administrative equipment installation
 - Training schedules for State and county personnel
 - Schedules for recipient card issuance activities

After contract award, the Contractor shall work in conjunction with the State and counties to finalize a detailed Statewide Implementation Plan based upon the Implementation Plan submitted with the Final Proposal. The Statewide Implementation Plan shall refine and add detail to all the items listed above including the order and timing of county implementations. The Statewide Implementation Plan shall be submitted to the State within ninety (90) days after contract award. The Contractor shall implement EBT according to the State-approved Statewide Implementation Plan.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1 Implementation Approach

The State has developed an approach to statewide implementation of EBT based on regions and sub-projects that the Contractor shall use to rollout EBT statewide. This approach allows for several counties to implement EBT concurrently as EBT is implemented statewide. The following is a detailed description of the State's required implementation approach, including regional organization of counties, sub-project organization of implementation activities, organization of county implementation activities and factors affecting the statewide implementation schedule.

5.7.1.1 Implementation Regions

The implementation regions provide for geographic coordination of implementation activities in neighboring counties and for allocation and scheduling of State and Contractor staff resources. The State EBT Implementation Team will organize its staff resources based on regional groupings of counties and implementation schedules of counties in each region. In addition to Contractor staff who work directly with individual county EBT Project Managers during county implementation planning and installation, the Contractor is required to provide a Regional Implementation Manager for each region while any county in the region is implementing EBT (may require up to five (5) Regional Implementation Managers concurrently). The Regional Implementation Managers will work closely with the State, county, retailer, third-party processor, financial institution representatives and others as necessary to plan, prepare for and coordinate implementation activities in the regions. The Systems Implementation Manager will oversee the activities of the Regional Implementation Managers and coordinate implementation statewide.

The State requires that counties be organized into the following five regions:

- Region 1 Los Angeles County
Approximately 35 district offices
- Region 2 Northern California Counties
ISAWS Counties: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yuba
- Region 3 Central California Counties
ISAWS Counties: Alpine, Amador, Calaveras, El Dorado, Inyo, Kings, Madera, Mariposa, Mono, Monterey, San Benito, San Joaquin, Tuolumne
WCDS Counties: Fresno, Placer, Sacramento, Tulare, Yolo
C-IV Counties: Merced, Stanislaus
- Region 4 Southern California Counties
ISAWS Counties: Imperial, Kern
WCDS Counties: Orange, San Luis Obispo, Santa Barbara, Ventura
C-IV Counties: Riverside
- Region 5 Central California Coastal Counties
WCDS Counties: Alameda, Contra Costa, San Francisco, San Mateo, Santa Cruz, Santa Clara, Solano, Sonoma

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.2 Implementation Sub-projects

The number and geographic diversity of California counties, as well as the association of each county with a SAWS consortium, requires that EBT statewide implementation be divided into separate implementation sub-projects. These sub-projects must be coordinated to assure a smooth and uninterrupted rollout of EBT statewide. Each implementation sub-project consists of three major implementation components: 1) Eligibility interface acceptance testing; 2) Eligibility interface pilot and evaluation; and 3) County EBT implementations. The following is a description of each implementation sub-project and its major implementation components:

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.2.1 *Standard Batch Implementation Sub-project*

The Standard Batch Implementation Sub-project begins when EBT implementation is started in the Pilot County. This Sub-project consists of

1. **Eligibility Interface Acceptance Testing** – Concurrent with the EBT System Acceptance Test and subject to the same schedule requirements, the standard batch eligibility interface will be acceptance tested.
2. **Eligibility Interface Pilot and Evaluation** – Concurrent with Pilot operations and evaluation of the EBT System and subject to the same schedule requirements the standard batch eligibility interface will be operated and evaluated in the Pilot County.
3. **County EBT Implementations** – Following successful pilot operations and evaluation in Alameda County, the following counties will implement EBT and the standard batch eligibility interface: Contra Costa, Fresno, Orange, Riverside, Sacramento, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, and Yolo.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.2.2 *LEADER Host-To-Host Implementation Sub-project*

The LEADER Host-to-Host Implementation Sub-Project begins when EBT implementation is started in Los Angeles County. This sub-project consists of:

1. **Eligibility Interface Acceptance Testing** – Concurrent with pilot evaluation of the EBT System in Alameda County, the standard host-to-host eligibility interface will be acceptance tested.
2. **Eligibility Interface Pilot and Evaluation** – Following successful completion of the Pilot evaluation in Alameda County and successful acceptance testing of the standard host-to-host eligibility interface, the L.A. interface pilot district will implement EBT and will operate and

evaluate the standard host-to-host eligibility interface for five (5) months (i.e. 3 months for operations followed by 2 months for evaluation).

3. **County EBT Implementations** – Following successful interface pilot operations and evaluation in the L.A. interface pilot district, the remaining Los Angeles districts will implement EBT in no more than five (5) months.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.2.3 CalWIN Host-To-Host Interface Migration Sub-project

The CalWIN Host-to-Host Interface Migration Sub-project begins when the WCDS Consortium begins host-to-host interface design and development for the CalWIN eligibility system. This sub-project consists of:

1. **Eligibility Interface Acceptance Testing** – No less than one month prior to migration from the standard batch eligibility interface to the CalWIN host-to-host eligibility interface in the first WCDS county, the CalWIN host-to-host eligibility interface will be certified to the standard host-to-host eligibility interface.
2. **Eligibility Interface Pilot and Evaluation** – Following successful eligibility interface pilot and evaluation in the L.A. interface pilot district, certification of the CalWIN host-to-host eligibility interface and in parallel with the county CalWIN implementation, Sacramento County will migrate to, operate and evaluate the CalWIN host-to-host eligibility interface for three (3) months.
3. **a. County EBT Migration** – Following successful interface pilot operations and evaluation in Sacramento County and in parallel with the county implementations of CalWIN, the following counties will migrate from the standard batch eligibility interface to the CalWIN host-to-host eligibility interface according to the schedule included in Section 5.7.2 Implementation Schedule: Alameda, Contra Costa, Fresno, Orange, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tulare, Ventura, and Yolo.
3. **b. County EBT Implementation** -- The EBT system and the CalWIN host-to-host eligibility interface will be implemented in Placer County according to the schedule included in ITP Section 5.7.2 Implementation Schedule.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.2.4 ISAWS Host-To-Host Implementation Sub-project

The ISAWS Host-to-Host Implementation Sub-project begins when EBT implementation is started in San Joaquin County. This sub-project consists of:

1. **Eligibility Interface Acceptance Testing** – No less than one month prior to implementation of the ISAWS host-to-host eligibility interface in San Joaquin County, the ISAWS host-to-host eligibility interface will be certified to the standard host-to-host eligibility interface.
2. **Eligibility Interface Pilot and Evaluation** – Following successful eligibility interface pilot and evaluation in the L.A. interface pilot district and certification of the ISAWS host-to-host eligibility interface, San Joaquin County will implement EBT and will operate and evaluate the ISAWS host-to-host eligibility interface for three (3) months.
3. **County EBT Implementations** – Following successful interface pilot operations and evaluation in San Joaquin County, the following counties will implement EBT according to the schedule included in Section 5.7.2 Implementation Schedule: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Modoc, Mono, Monterey, Napa, Nevada, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Tuolumne, Trinity, and Yuba.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.2.5 C-IV SAWS Host-To-Host Implementation Sub-project

The C-IV SAWS Host-to-Host Implementation Sub-project begins when the C-IV Consortium begins host-to-host eligibility interface design and development for the C-IV SAWS eligibility system. This sub-project consists of:

1. **Eligibility Interface Acceptance Testing** – No less than one month prior to implementation of the C-IV SAWS host-to-host eligibility interface in the first C-IV county, the C-IV SAWS host-to-host eligibility interface will be certified to the standard host-to-host eligibility interface.
2. **Eligibility Interface Pilot and Evaluation** – There will be no interface pilot for C-IV SAWS host-to-host eligibility interface.
3. **County EBT Implementations** – Following certification of the C-IV SAWS host-to-host eligibility interface and in parallel with the county C-IV SAWS implementations, Riverside County and Stanislaus County will convert to the C-IV SAWS host-to-host eligibility interface according to the schedule included in Section 5.7.2 Implementation Schedule. The EBT system and the C-IV SAWS host-to-host eligibility interface will be implemented in Merced County according to the schedule included in Section 5.7.2 Implementation Schedule.

5.7.1.3 County Implementation Phases

Each county EBT implementation shall occur in three distinct phases: 1) County Readiness; 2) County Planning and Installation; and 3) County Implementation.

5.7.1.3.1 County Readiness Phase

During the County Readiness phase (at least two (2) months at the beginning of each county's EBT implementation), the State EBT Implementation Team will lead in the following activities in each county. The Contractor shall participate as needed.

- Organizing county implementation teams
- Setting county priorities
- Selecting county options
- Identifying financial interface requirements
- Identifying, contacting and organizing external stakeholders

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.3.2 County Planning and Installation Phase

The Planning and Installation phase in each county (except for Los Angeles County) shall be no longer than five (5) months. For Los Angeles County, the Planning and Installation phase may be up to ten (10) months: no longer than five (5) months for the L.A interface pilot district and no longer than ten (10) months for all remaining Los Angeles districts combined (first five (5) months are concurrent with Los Angeles County interface pilot district planning and installation). During the County Planning and Installation phase the Contractor's team will lead in the following activities in each county. The State EBT Implementation Team shall participate as needed.

- Developing a county-specific implementation work plan from the County Implementation Work Plan Template
- Implementation planning
- Developing strategies and procedures for card issuance, PIN selection, benefit conversion, benefit reconciliation, cash settlement processing, staff training, recipient training and contingency processing
- Identifying and readying sites for EBT equipment installation
- Installing EBT administrative equipment
- Installing retailer equipment
- Training county staff
- Preparing for and beginning case conversion (e.g. card issuance and training) according to each county's chosen conversion methodology
- Certification of eligibility system interfaces
- Developing and testing financial system interfaces (if required for cash EBT)
- Retailer training

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.1.3.3 County Implementation Phase

The County Implementation phase in each county (except for Los Angeles County) shall be no longer than three (3) months. For the Los Angeles interface pilot district the County Implementation phase shall be no longer than three (3) months, whereas, the county Implementation phase for all remaining Los Angeles districts combined, shall be no longer than five (5) months.

During the County Implementation phase the Contractor's team will lead in the following activities in each county, according to each county's chosen conversion methodology. The State EBT Implementation Team shall participate as needed.

- Training recipients at walk in training sites or card-issuance sites
- Implementing county EBT operational processes and procedures
- Assisting recipients with PIN selection at over-the-counter card issuance sites
- Implementing benefit reconciliation processes
- Implementing cash settlement processes
- Completing case conversion (e.g. card issuance and training) according to each county's chosen conversion methodology
- Implementing county ongoing issuance processes and procedures

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.2 Implementation Work Plan and Schedule

The Implementation Plan shall include an Implementation Work Plan and Schedule that contains the following:

- All statewide implementation tasks, subtasks and deliverables with critical tasks and dependencies identified
- All Pilot implementation tasks, subtasks and deliverables with critical tasks and dependencies identified
- All eligibility system interface certification and implementation tasks, subtasks and deliverables with critical tasks and dependencies identified
- All county implementation tasks, subtasks and deliverables with critical tasks and dependencies identified
- Schedule of all implementation tasks, subtasks and deliverables
- Schedule of all POS terminal deployments and EBT administrative equipment installations
- Schedule of training for State and county personnel
- Schedule of recipient card issuance activities
- Staffing throughout Pilot and statewide implementation and resource assignments to tasks, subtasks and deliverables

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.2.1 Implementation Schedule Constraints

The State has worked closely with counties to understand the county constraints that impact the EBT implementation schedule. The most important constraint to consider is planned SAWS implementations. As described in Section 3.9, the ISAWS consortium eligibility system is fully implemented and LEADER is expected to be fully implemented before EBT is implemented in Los Angeles County. However, the WCDS and C-IV consortia SAWS systems will not be implemented before EBT is implemented. Therefore, the WCDS and C-IV consortia SAWS system implementation activities in the counties will impact the EBT implementation schedule. There will be periods of time when no EBT implementation activity can occur in these consortia's counties. A full description of these constraints and schedule requirements based on current consortia SAWS system implementation schedules follows:

- It is anticipated that all WCDS counties except Placer County, will implement EBT before the WCDS consortium SAWS system (CalWIN) is implemented.
- It is anticipated that Riverside and Stanislaus counties will implement EBT before the C-IV SAWS system is implemented.
- It is anticipated that Placer County (WCDS county) and Merced County (C-IV county) will implement EBT after the SAWS eligibility systems are implemented.

For a specified number of months before SAWS system implementation and six (6) months after SAWS system implementation no EBT implementation activity can occur in WCDS and C-IV counties as specified below.

WCDS CalWIN Planned Implementation Schedule

County Name	CalWIN Implementation Date*	"No EBT Implementation" Period
Sacramento County	10/1/02**	7/1/02-3/31/03
Placer County	2/1/03***	3/1/02-7/31/03
Yolo County	3/1/03	9/1/02-8/31/03
Santa Cruz County	3/1/03	9/1/02-8/31/03
San Mateo County	4/1/03	7/1/02-9/30/03
Solano County	5/1/03	11/1/02-10/31/03
Santa Clara County	6/1/03	10/1/02-11/30/03
Contra Costa County	7/1/03	1/1/03-12/31/03
San Francisco County	8/1/03	11/1/02-1/31/04
Sonoma County	9/1/03	9/1/02-2/28/04
Alameda County	10/1/03	4/1/03-3/31/04
Tulare County	11/1/03	5/1/03-4/30/04
Fresno County	12/1/03	12/1/02-5/31/04
Ventura County	1/1/04	1/1/03-6/30/04
Santa Barbara County	2/1/04	8/1/03-7/31/04
San Luis Obispo County	4/1/04	7/1/03-9/30/04
Orange County	5/1/04	5/1/03-10/31/04

* Abbreviated acceptance test of the CalWIN host-to-host eligibility interface for each county shall be completed no later than one month prior to implementation of CalWIN in each county (Placer County excluded)

** No later than one month prior to implementation of the CalWIN host-to-host eligibility interface in Sacramento County, the CalWIN host-to-host eligibility interface shall be certified to the standard host-to-host eligibility interface

*** Abbreviated acceptance test of the CalWIN host-to-host eligibility interface for Placer County shall be completed no later than one month prior to the County Implementation phase of EBT implementation in Placer County

C-IV SAWS System Planned Implementation Schedule

County Name	C-IV SAWS Implementation Date	"No EBT Implementation" Period
Merced County	8/1/03*	3/1/02-4/30/04
Riverside County	11/1/03**	5/1/03-4/30/04
Stanislaus County	11/1/03***	5/1/03-4/30/04

* Abbreviated acceptance test of the C-IV SAWS host-to-host eligibility interface for Merced County shall be completed no later than one month prior to the County Implementation phase of EBT implementation in Merced County

** No later than one month prior to implementation of the C-IV SAWS system implementation in Riverside County, the C-IV SAWS host-to-host eligibility interface shall be certified to the standard host-to-host eligibility interface

*** Abbreviated acceptance test of the C-IV SAWS host-to-host eligibility interface for Stanislaus County shall be completed no later than one month prior to implementation of the C-IV SAWS system in Stanislaus County

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.2.2 Implementation Schedule Requirements

Bidders shall include with their Final Proposal an implementation schedule that meets the constraints and schedule requirements included in the tables below. After contract award, the Contractor will work in conjunction with the State and counties to finalize the implementation sequence and schedule according to the latest SAWS implementation schedules available at that time.

County Implementation Schedule Requirements

County Name	County Implementation Phase Shall End No Later Than The Last Day Of*
Alameda County	Month 13
Los Angeles Interface Pilot District	Month 18
Sacramento County	Month 18
San Mateo County	Month 18
Santa Cruz County	Month 18
Yolo County	Month 19
Sonoma County	Month 19
Santa Clara County	Month 19
San Francisco County	Month 20
Contra Costa County	Month 20
Solano County	Month 20
Fresno County	Month 21
Tulare County	Month 21
San Luis Obispo County	Month 21
Santa Barbara County	Month 21
Orange County	Month 22
Ventura County	Month 23
San Joaquin County	Month 24
Stanislaus County	Month 24
Los Angeles County	Month 25
Riverside County	Month 26
Kern County	Month 27
Imperial County	Month 27
Marin County	Month 28
Napa County	Month 28
Kings County	Month 28
Madera County	Month 28

Butte County	Month 29
Nevada County	Month 29
Placer County	Month 29
Sutter County	Month 29
Yuba County	Month 29
Colusa County	Month 30
Glenn County	Month 30
Lake County	Month 30
Mendocino County	Month 30
Monterey County	Month 31
San Benito County	Month 31
Lassen County	Month 32
Plumas County	Month 32
Shasta County	Month 32
Tehama County	Month 32
Del Norte County	Month 33
Humboldt County	Month 33
Modoc County	Month 33
Siskiyou County	Month 33
Trinity County	Month 33
Sierra County	Month 34
Amador County	Month 34
Calaveras County	Month 34
El Dorado County	Month 34
Mariposa County	Month 34
Tuolumne County	Month 34
Alpine County	Month 35
Inyo County	Month 35
Mono County	Month 35
Merced County	Month 41

* Number of months after contract award

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.3 County Implementation Work Plan Template

As part of the Implementation Plan, the Bidder shall include a County Implementation Work Plan Template (County Template). The County Template shall include all Contractor and county tasks, subtasks and deliverables necessary to implement EBT in a single county. All county

implementation tasks and subtasks to be performed by the Contractor must be included in the County Template, including but not limited to:

- 1) Conduct site surveys at each county office and retailer location;
- 2) Identify and document all requirements to ready each county site, card issuance/training site or walk-in training site for equipment installation including installation of electrical outlets, data cables, data wall jacks, wiring closet location and cabling rack installation;
- 3) Ready retailer sites for equipment installation including installation of electrical outlets, data cables and data wall jacks;
- 4) Install and test telecommunications lines and telecommunications equipment, where appropriate, to county and retailer locations;
- 5) Deploy all equipment required to support and operate EBT including but not limited to card issuance devices, administrative terminals, user training equipment, card issuance/training site equipment and walk-in training site equipment;
- 6) Prepare and install POS devices;
- 7) Provide cardholder card issuance and training;
- 8) Provide operations, help desk and user training to county and retailer staff;
- 9) Perform acceptance testing of all county eligibility system interfaces, county financial system interfaces, communications systems, and county EBT hardware and software; and
- 10) Provide enhanced production and technical support to counties during the first full monthly cycle of EBT production/conversion.

At the beginning of the County Planning and Installation phase in each county, the Contractor will obtain input from the county and will develop a customized County Implementation Work Plan for the county from the County Template.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.4 Pilot Implementation and Operations

EBT operations shall begin with a Pilot implementation and operations in Alameda County (Pilot County). The Pilot implementation and operations is a live implementation of the system in a localized area. The Pilot will provide the State an opportunity to monitor system operations and performance in a controlled environment and allow the Contractor to correct any processing or operational problems prior to statewide implementation.

In accordance with the Statewide Implementation Plan and the Pilot County Implementation Work Plan, the Contractor shall perform all tasks required to implement and operate the EBT System in the Pilot County. Pilot operations will be conducted for three (3) months, beginning

no later than ten (10) months after award of contract. The pilot will be conducted according to the Pilot County Work Plan submitted by the Contractor and approved by the State.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.5 Pilot Evaluation

After the EBT System has been operational in the Pilot County for three (3) months the State will conduct a Pilot Evaluation and prepare a Pilot Evaluation Report. The Pilot Evaluation will be conducted by the State, in conjunction with EBT Project Independent Verification and Validation (IV&V) contractor and the Pilot County. As required by the State, Contractor shall assist the State in evaluation of Pilot operations. Pilot Evaluation shall be conducted over two months following Pilot Operations.

During the Pilot Evaluation, the State will review and evaluate the results of Pilot operations and the functioning of all aspects of the system including key areas such as interfaces, training, card issuance, transaction processing, retailer management, settlement, reconciliation, reporting, system security, and participation of all stakeholders. During Pilot Evaluation, the Contractor shall provide the State all performance analysis and any other documentation necessary for the State to determine whether the EBT system meets the specifications, including but not limited to the performance standards.

The State shall complete a Pilot Evaluation Report following completion of the Pilot Evaluation. The Pilot Evaluation Report shall include specific actions and/or recommendations for system changes and corrections to be made by the Contractor before statewide implementation. The Contractor shall complete any necessary system modifications or other changes identified through the Pilot Evaluation, including changes to reports, training materials and other system documentation, prior to further implementation of EBT.

Concurrent with Pilot operations and evaluation and according to the various sub-project implementation schedules, County Readiness phase activities and County Planning and Installation phase activities may commence. However, County Implementation phase activities will not be authorized in any county other than the Pilot County until the Pilot Evaluation is completed, the Contractor has completed all required system modifications, the system modifications have been accepted by the State, and the State has determined that the Contractor and EBT System are ready for statewide implementation.

Following State acceptance of any required system modifications phased statewide implementation shall commence.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.6 Eligibility System Interface Acceptance Testing and Pilot

The State requires acceptance testing and a pilot period for the first county that implements each new eligibility system interface as it is added to the EBT system. The Contractor shall allow additional time and resources in the Implementation Work Plan to accomplish eligibility system acceptance testing and pilot period, according to the requirements of Section 5.14.6, Eligibility System Acceptance Tests.

No county shall begin card and PIN issuance activities until the Contractor has certified that it has successfully completed the required eligibility system acceptance test or certification. The acceptance test or certification of each county's interface shall be completed at least four weeks prior to the county's scheduled County Implementation phase.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.7 Readiness Determinations

At critical points in the statewide rollout of EBT, readiness determinations shall be made to assess the readiness of the Contractor and EBT System to implement EBT in additional counties and/or issue benefits. At a minimum, readiness determinations shall occur at the following points in the EBT project schedule:

- Month 5 (Design Phase) – To determine if all Design Phase tasks and deliverables are completed and accepted by the State and whether to continue with Development Phase tasks and deliverables;
- Month 9 (Development Phase) – To determine if all Development Phase tasks and deliverables are completed and accepted by the State and whether to begin Pilot operations in month 11;
- Month 13 (Pilot Operations) – To determine whether Pilot Evaluation shall begin in month 14;
- Month 15 (Pilot Evaluation) – To determine Contractor and EBT System readiness to proceed with Standard Batch Implementation Sub-Project – County EBT Implementations, LEADER Host-To-Host Implementation Sub-Project – Eligibility Interface Pilot and Evaluation, and development and testing of legacy eligibility system batch interfaces;
- Month 19 (L.A. Interface Pilot District Evaluation) – To determine Contractor and EBT System readiness to proceed with implementation of the remaining Los Angeles districts, CalWIN Host-To-Host Interface Migration Sub-Project – Eligibility Interface Pilot and Evaluation, and ISAWS Host-To-Host Implementation Sub-Project – Eligibility Interface Pilot and Evaluation;
- Month 23 (CalWIN Eligibility Interface Pilot and Evaluation) – To determine whether to begin CalWIN Host-To-Host Interface Installation Sub-Project – County EBT Installations;

- Month 24 (ISAWS Eligibility Interface Pilot and Evaluation) – To determine whether to begin ISAWS Host-To-Host Implementation Sub-Project – County EBT Implementations; and
- At least four (4) weeks prior to the beginning of each county's County Implementation Phase (EBT live date) and before card issuance appointment letters or cards and PINs are mailed to recipients – To determine Contractor, EBT System and county readiness to proceed with issuance of benefits through EBT.

The Implementation Plan shall include descriptions of each readiness determination checkpoint, indicators and acceptance process. The Implementation Work Plan shall identify the appropriate timing of each readiness determination prior to and during statewide implementation of EBT and shall include:

- Checkpoints: The appropriate checkpoints including a go/no go point, which provides the State sufficient time to notify all appropriate parties of any project delays.
- Indicators: The appropriate indicators of progress at each of the checkpoints. The indicators must include but not be limited to successful interface test results for each eligibility system and related financial system interfaces, rate of signed retailer agreements and POS installation, county readiness, and State approval of eligibility system acceptance test results.
- Acceptance Process: The Contractor shall report on its readiness determination at each checkpoint and shall wait for State approval before continuing the implementation activity. The State shall provide written approval or disapproval of readiness within five (5) business days of receiving the Contractor's report.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.8 Implementation Status Reports

At the beginning of Pilot Implementation and continuing through complete statewide implementation, the Contractor shall submit a weekly Implementation Status Report containing information about the implementation progress in each county that is preparing for or undertaking implementation activities. This status report shall be in addition to the regular weekly Project Management status reports. Implementation Status Reports shall be organized by district office and county, and shall contain information about all implementation activities, including but not limited to:

- Retailers and other acquirers that have signed agreements
- Retailers and other acquirers using EBT-only equipment
- Inventory lists of EBT equipment installed at retailer locations
- Lists of retailers and acquirers that have been trained.
- Inventory lists of EBT equipment installed at county sites
- Lists of county staff that have been trained
- Lists of cards not issued (appointments missed)
- Statistics and analysis of system performance and customer service

Bidders shall describe in the Implementation Plan, the processes to be used in collecting, compiling, formatting and submitting the weekly Implementation Status Reports. The Implementation Plan shall also contain sample report formats and descriptions.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.7.9 Cash EBT Implementation

Subsequent to determination of Apparent Best Value Bidder and Notification of Intent to Award, the State will provide cash pricing information to each CWD. Counties will consider the pricing information as the final element in their analysis and decision-making process for cash EBT. Counties that wish to ensure implementation of cash EBT concurrently with the implementation of Food Stamps will be required to notify the State of their intent to implement cash before the contract is executed. All counties that declare their intention in this time period will be included in the initial Project Management Plan and Statewide Implementation Plan as cash-EBT counties.

A county may elect to add cash to the EBT program at any time during the life of the contract. However, any county that decides it wants to use the EBT system for cash benefit issuance at any time after contract execution, will only be accommodated in the initial statewide EBT rollout if the established implementation schedule for Food Stamps is not adversely impacted. The State reserves the right to make the final decision whether the established implementation schedule for Food Stamps is adversely impacted. If the county request to add cash to the EBT program cannot be accommodated within the original Implementation Schedule, the county may be required to delay implementation of cash programs until statewide implementation of Food Stamps is complete.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.8 Capacity Plan (Mandatory Scorable)

The Capacity Plan is a Mandatory Scorable Requirement.

Maximum possible points for Capacity Plan: 80 points

Refer to Section 9.3.4.2.5 for detailed scoring methodology.

The Bidder shall submit a Capacity Plan that fully describes the process to be utilized to insure that the proposed EBT system is appropriately sized to support actual transaction volume throughout the life of the contract. The Bidder shall fully describe the process to be utilized to insure appropriate capacity of all components of the system, including hardware, software, and network components that constitute the Bidder's proposed transaction processing platform. The Bidder shall fully describe the methodology, tools and data used to conduct periodic and ongoing capacity planning. The Bidder shall describe how capacity assumptions were derived for the EBT system being proposed for California. The Bidder shall indicate if the proposed CPU is expandable, availability of hardware from the manufacturer, the timeframe required to expand the CPU, and what future system architecture the Bidder proposes in the event the CPU cannot be further expanded. The Bidder shall specify what threshold (percentage) of the maximum theoretical capacity of the EBT system is used to establish when an upgrade is required. The Bidder shall indicate whether the EBT system will operate on a platform dedicated to California EBT and whether the Bidder serves other EBT or commercial processing from the Bidder's facility. In the event the Bidder proposes a shared transaction processing platform or facility, the Bidder shall fully describe how capacity planning incorporates all contractual obligations and what level of priority is placed on California EBT. The Bidder shall provide this information for the entire EBT system, including hardware, software, network components and the Automated Response Unit (ARU). The Bidder shall include discussion on CPU utilization, memory utilization, and direct access storage device (DASD) tuning and data set placement. The Bidder shall also describe how the requirement to meet transaction processing performance standards is considered relative to capacity planning.

The Bidder shall define the content and source(s) of data to be utilized for capacity planning. The Bidder is apprised that while the State projects caseloads for the various programs which may be included in the proposed EBT system, these projections are developed for the purpose of budgeting and federal funding requests. The Contractor shall insure adequate capacity of the EBT network across the life of the contract without regard to the ultimate accuracy of any caseload projections provided by the State or counties. The State requires capacity planning which provides a framework for preventative maintenance as opposed to crisis management.

The Bidder shall describe past and ongoing experience with capacity planning. In the event the Bidder has experienced problems with capacity planning in the past, the Bidder shall describe what lessons have been learned and how such lessons have been applied to the current methodology.

The Bidder shall describe how capacity testing is accomplished, the frequency of testing, what reports will be produced, what data and tools will be utilized and how this testing will be demonstrated to the State. In the event the Bidder proposes a testing alternative, such as capacity modeling, the Bidder shall describe the methodology for the alternative process. The

Bidder shall describe how the alternative process is to be demonstrated to the State and the level of confidence the State should anticipate.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.9 Settlement and Reconciliation Plan (*Mandatory Scorable*)

The Settlement and Reconciliation Plan is a Mandatory Scorable Requirement.

Maximum possible points for Settlement and Reconciliation Plan: 80 points

Refer to Section 9.3.4.2.7 for detailed scoring methodology.

The Bidder shall submit a Settlement and Reconciliation Plan that describes the process the Bidder is proposing for performing daily settlement and reconciliation of the EBT system, specifically addressing the differences between the cash and Food Stamp programs.

Settlement and reconciliation is an area of concern for the State. The FSP and cash programs are managed and administered by the 58 CWDs pursuant to guidelines and regulatory mandates. For those counties choosing to implement cash on EBT, the settlement and reconciliation of the cash programs will occur within the county. But the settlement and reconciliation of the FSP will occur at the state level. For both cash and food stamp programs, the Contractor shall provide settlement and reconciliation reporting at the state level.

For definition purposes, settlement is the process by which the Contractor provides reimbursement for client originated transactions that occurred at retailers and/or ATM networks. Funds are moved from the funding entity (the respective counties for cash benefits, United States Department of Agriculture (USDA) through Automated Standard Application for Payments (ASAP) for food stamp benefits) to the retailer and/or ATM networks that acquired the transaction.

Reconciliation is the means by which the Contractor provides the counties and the State with the daily financial position, both in terms of the client initiated transactions from the previous accounting cycle that are being settled, and the outstanding value of the client benefits remaining on the EBT vendor's database. The reconciliation process is intended to validate the daily settlement amount and the ending database value. Daily settlement and reconciliation activities shall be performed with one hundred percent (100%) accuracy on a daily basis.

The Contractor shall describe the process that they are proposing for performing daily settlement and reconciliation of the EBT system, specifically addressing the differences between the cash and food stamp programs. The plan shall address how the Bidder intends to provide settlement and reconciliation of the food stamp benefits at a state level, although the cash program will be settled and reconciled at a county level. Specifically the plan shall address the following:

- The process for reconciling the settlement totals reported at a state level with the settlement totals reported at the individual county level.

- The process for reconciling the outstanding database liability reported at the state level with the outstanding database liability totals reported for each individual county.
- The process by which settlement totals to retailers, third party processors, and ATM networks, are reconciled to transaction postings to the clients' EBT accounts.
- The method of accounting for transactions performed by a client within the business day that will not be settled until the following day because of the difference between the EBT system business day cutoff time and the retailer's business day cutoff time.
- The accounting of individual client benefits held on the EBT System's database that make up the client's respective cash and food stamp balance prior to the utilization of the benefits by the client.
- A description of the process for calculating and reporting the new database value for the respective programs (cash and food stamps), specifically addressing the identification and tracking between settled and non-settled (e.g., new benefits, expungements, certain county entered adjustments, food stamp conversions to coupons) transactions.
- The accounting and maintenance of client benefits held on the EBT System's database prior to the availability date of the benefit.
- The accounting of client benefits that are cancelled by the county prior to the availability date of the benefit.
- The process and timeframes for resolution of retailer/third party processors settlement disputes.
- The process and timeframes for resolution of county settlement disputes (e.g., discrepancies between county fund draws and settlement payments)

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10 Cash Access Plan (Mandatory Optional - Scorable)

The Cash Access Plan is a mandatory scorable requirement.

Maximum possible points for Cash Access Plan:

80 points

Refer to Section 9.3.4.2.6 for detailed scoring methodology.

5.10.1 Cash Access Objectives and Constraints

A primary goal of cash EBT is to ensure that recipients have reasonable access to their cash benefit amount, sufficient to meet their major monthly financial obligations, such as rent and utilities, within the first four (4) cash withdrawal transactions. An additional goal is to ensure that recipients have access to any benefits remaining after the first four (4) cash withdrawal transactions at a reasonable cost to the recipient, and not significantly higher than the Contractor's actual cost of providing the service. The Contractor shall enlist the participation of acquirers in the commercial infrastructure to provide a wide range of access options for recipients. Any qualified ATM or POS acquirer who desires to provide cash access services shall be allowed to do so on equal terms with other acquirers.

In developing a Cash Access Plan, the Bidder should keep the following objectives and constraints in mind.

- Cash EBT is an optional program. Each county will make its decision on whether or not to use EBT for cash benefit issuance based, in part, upon the Contractor's ability to implement a cash solution that provides reasonable access at a feasible cost to the county and the recipients.
- Welfare and Institutions Code, Section 10072(k) requires that recipients may not be charged a fee by the processor for their first four (4) cash withdrawal transactions per case per month.
- The EBT system must provide a reasonable distribution of cash access locations that are free of any fee to recipients, whether that fee is charged by the contractor or the acquirer. In addition, the State requires that recipients have access to their benefits for purchases and cash withdrawals at a wide variety of POS and ATM locations, above and beyond the free access locations. Fees imposed for these transactions, if any, must not exceed fees customarily charged to commercial debit card users.
- California benefit amounts are higher than the national average. The average CalWORKs grant is \$484, but for very large families monthly cash benefits may exceed \$1,300 per month.
- California is large and geographically diverse. An access plan will have to take into consideration this diversity and provide reasonable access in locations where recipients reside. There are inner cities, rural areas and other locations in which cash benefits may not be readily available through existing ATM or POS locations. To provide adequate access in such areas, the Contractor will need to aggressively recruit commercial EFT partners, and may also have to deploy additional devices to provide adequate cash access.
- The State encourages Bidders to develop creative solutions to provide widespread acceptance of the EBT card anywhere that POS or ATM devices exist. Beyond grocery stores and retail stores, the Contractor should include a broad range of locations that already use, or could use, POS or ATM technology.
- The Contractor may consider innovative or non-traditional locations for cash-access, such as community based or charitable organizations and businesses offering financial services.
- The State encourages Bidders to include in the Cash Access Plan cost-effective means for recipients to avoid or minimize the need to use cash. Locations that sell money orders or provide bill payment services are desirable. Other strategies that may reduce the amount of cash that a recipient needs to withdraw from his or her account may also be included.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.2 First Four Cash Withdrawal Transactions

The Contractor shall provide the first four (4) cash withdrawals per case per month without the imposition of a fee by the Contractor. The recipient may conduct these transactions at ATM or POS locations in any combination (e.g. four ATM, or four POS, or any combination of ATM and POS transactions).

A recipient shall be able to conduct these first four cash withdrawal transactions at locations that impose surcharges if the recipient chooses to do so. Any surcharges incurred by the recipient on the first four cash withdrawal transactions, or any other cash EBT transactions, shall be deducted from the recipient's cash benefit account.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.3 Access via Automatic Teller Machines (ATM)

The State requires the cash access solution to include access through ATM machines. The Contractor is required to enter into an agreement with a major regional network that provides access to a majority of ATM acquirers across the State (such as STAR, CIRRUS, PLUS, or the equivalent). The State understands that inclusion of a regional network does not guarantee surcharge-free access via those ATMs.

In addition, the State strongly desires to have **at least** one ATM acquirer providing statewide ATM access without the imposition of surcharges. Statewide ATM access could be achieved through one major statewide acquirer, or a combination of regional acquirers, that would provide at least one surcharge-free ATM location in a large majority of the counties statewide.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4 Minimum Access Standard

The State has developed a minimum access standard that is quantifiable, can be reasonably met through the commercial infrastructure, and is flexible enough to allow a variety of cash access solutions throughout the State. The State's minimum access standard combines standards of 1) capacity, 2) proximity, 3) distribution, and 4) alternatives.

The Contractor shall be required to provide cash access to meet the minimum access standard in any county that chooses to use EBT for cash benefit issuance, and shall demonstrate that it has met this standard through the county specific Cash Access Plan. The Contractor shall ensure that the minimum access standard is met throughout the life of the contract.

The State reserves the right to require the Contractor to supplement cash access if, as determined by the State, significant cash access inadequacies become apparent based on actual client usage.

In the event that the Contractor is unable to meet the minimum access standard via the commercial EFT infrastructure, the Contractor shall deploy additional POS devices for cash access to locations accessible to recipients. These locations must be pre-approved by the State and CWD. Deployment of such devices to achieve the minimum access standard requirement shall be billed separately, at the rates for POS devices in Section 7, Schedule 4.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.1 Capacity

The Contractor must provide cash access locations with sufficient capacity to meet the expected demand for cash within a zip code on benefit issuance days.

- Cash access locations are considered to be those locations that will provide cash withdrawal of \$200 or more in one transaction without a surcharge.
- Expected demand shall be based upon the caseload of cash benefit recipients multiplied by the average CalWORKs grant in that county.
- Capacity must factor in the three-day cash benefit staggering schedule.
- Capacity must factor in the expected commercial demand on cash access locations in addition to EBT demand.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.2 Proximity

The Contractor shall demonstrate that the requirement to provide sufficient cash access capacity is met through access locations within the zip code where the recipients reside. The State considers that access within the zip code that recipients reside to be sufficient proximity. If the commercial infrastructure cannot support the caseload of the zip code with adequate capacity, access in a directly bordering part of a neighboring zip code may be used to satisfy the requirement for proximity. For example, a shopping center with ATM access may be two blocks away from a high-density client population, but in a different zip code. With approval of the State and county, this could be used as part of demonstrated access.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.3 Distribution

The Contractor must demonstrate that cash access locations are adequately dispersed to provide reasonable access. This relates to both the ratio of cases to access locations, as well as their distribution throughout the zip code. For example, a small number of cash access locations within the zip code, even if they have adequate cash capacity, may be inadequate to serve a large population of clients because they will result in long lines. Alternately, there may be many cash access devices clustered together in a location that is practically inaccessible because it is remote from bus lines.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.4.4 Alternatives

If minimum access cannot be demonstrated using the standards of capacity, proximity and distribution, the State and county may consider alternative solutions to be part of the cash access solution for a particular zip code. The Contractor may demonstrate, with specific details, how access is supplemented through additional acquirers that specifically meet the needs of the recipients in the given zip code or county. Acceptable alternatives may include, for example,

- Ability to pay rent at the public housing where a large percentage of the recipients in the zip code live.
- Locations that provide cash withdrawal of less than \$200 per transaction
- Locations that provide free money orders or bill payment services.

Use of an alternative to meet the minimum access standard will be on an exception basis and subject to the approval of the State and county.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5 Cash Access Plan

The Cash Access Plan shall describe the Bidder's strategy to provide cash access locations to meet the minimum access standard. In developing its Cash Access Plan, the Bidder shall assume statewide operation of a cash EBT system according to the same implementation schedule as EBT for the FSP, with the understanding that actual implementation of cash EBT is a county-by-

county option.

The Cash Access Plan shall represent the Bidder's best cash access solution available at the time of Proposal submission. The Bidder shall describe its proposed cash solution and any partners that the Bidder intends to include (such as networks, banks, third party processors, or retailers). Any qualified ATM or POS acquirer who desires to provide cash access services shall be allowed to do so on equal terms with other acquirers. To the extent that it is available, the Bidder shall provide documentation of agreements with its partners, describing the type of cash access that will be provided and the terms of participation. The description shall include any reasonably available information about any fees to be imposed on recipients by any partners.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.1 Overall Cash Access Strategy

As part of the Cash Access Plan, the Bidders shall demonstrate their understanding of the problems associated with cash access by providing a detailed description of the strategy for providing adequate access. The Cash Access Plan shall describe

- The Bidder's understanding of the California requirements for reasonable access, and what that means in terms of the effort required by the Bidder to develop an EBT infrastructure for Cash Access.
- How the Bidder's previous EBT/EFT experience can be applied to ensure that cash EBT will be implemented successfully in California.
- The likely inadequacies that will be encountered in commercial EFT availability in various areas of California. The Bidder shall describe in-detail its approach to meeting the unique needs of an inner-city area that may have an underdeveloped EFT infrastructure (ATM and/or POS) and a concentration of EBT users. The Bidder should also discuss other problem areas it may have identified.
- How the Bidder would recruit additional EFT partners, describing both outreach efforts and the business case that the Bidder would propose to potential partners for POS/ATM deployment
- What types of locations would the Bidder propose to deploy additional equipment to supplement access, in the event that the commercial infrastructure remains inadequate after recruitment efforts

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2 Additional POS/ATM Locations

Beyond the minimum access standard requirement, the Contractor shall enlist a variety of acquirers that will provide a range of services to cash-EBT recipients. Acquirers that will accept the EBT card for purchase, purchase with cash back, or cash only, with or without surcharges, shall be included. The Cash Access Plan shall describe how the Bidder has developed its assumptions for acquirer participation. For example, if the Bidder already has agreements with acquirers, it should specify which acquirers and the number of locations, and fees if known. If the Bidder is basing its assumptions on its experience in implementing cash EBT in other States, the Bidder should describe such experience.

If the Bidder proposes to pay any nominal transaction fee to acquirers to encourage cash withdrawal services, such an arrangement shall be specified in the Cash Access Plan. If such an arrangement is proposed, then acquirers entering such agreements shall not be allowed to impose any surcharge or purchase requirements on recipients. Any such fee proposed by the Bidder shall be included in the cost of a single cash withdrawal transaction. The State will not pay any additional fees directly to retailers or other acquirers.

The Cash Access Plan also will be scored based on its ability to provide enhanced service or features to recipients. The Cash Access Plan will be awarded points if it includes the types of services described below. Refer to Section 9.3.4.2.6 for detailed scoring methodology.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2.1 Full Cash Withdrawal

The Cash Access Plan will be awarded points if it includes acquirers willing to provide full cash withdrawal services. Full cash withdrawal is defined as the ability to withdraw funds from the cash benefit account up to the available benefit amount in one transaction. Full cash withdrawal service can be with or without a surcharge imposed by the acquirer. The Bidder shall describe its partner(s), the types of services provided, and the quantity and distribution of access locations throughout the state by county and/or zip code.

Any surcharges to be paid by the recipients for full cash withdrawal services shall be clearly specified, to the extent that the Bidder knows them.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2.2 Cash Withdrawal of \$200 or more with a Surcharge

The Cash Access Plan will be awarded points if the Bidder includes participation of acquirers able to provide \$200 or more per transaction that may impose a surcharge. The Bidder shall describe its partner(s), the types of services provided, and the quantity and distribution of access locations throughout the state by county and/or zip code. Partners providing full cash withdrawal services (as described in Section 5.10.5.2.1) shall not also be described in this section.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.5.2.3 Financial Services

The Cash Access Plan will be awarded points if the Bidder includes participation of acquirers that allow recipients to avoid or minimize the use of cash (i.e., provide money orders or bill payment services), with or without a surcharge. The Bidder shall describe its partner(s), the types of services provided, and the quantity and distribution of access locations throughout the state by county and/or zip code.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6 Documentation of Cash Access

The Contractor shall provide documentation of cash access for in the County Cash Access Plan for each county that uses the EBT system for cash benefit issuance. Cash Access documentation shall be updated at least semi-annually, or whenever there is a significant change in the cash access availability, so that it reflects the current cash access available in each county. A significant change could be caused by a change in participation by a major acquirer, a sharp change in caseload, or other circumstance that may change the Contractor's ability to fulfill the minimum access requirement.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.1 Demonstration of Capacity

The Contractor must document, using a mathematical analysis, that there is sufficient capacity to meet the expected demand for cash within a zip code on benefit issuance days. The demonstration that the Contractor has provided adequate capacity must show that the daily capacity of surcharge free cash access locations (ATM, POS and any others) exceeds the expected demand for cash within the zip code. The expected demand will calculate the average county benefit amount, multiplied by the caseload, divided by the benefit issuance staggering schedule (i.e. three days). Expected demand must also take into consideration commercial demand at the same locations, as well as a buffer for unanticipated circumstances. The proposal shall show exactly how this analysis will be made and what factors will be included in the calculation.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.2 Mapping of Minimum Access

The Contractor shall provide cash access maps by zip code. The maps shall provide a visual indication by street of all locations included in satisfying the minimum access requirement, including

- locations of ATMs participating without a surcharge;
- locations of full cash back POS acquirers and/or check cashiers participating without a surcharge;
- locations of POS acquirers offering \$200 or more cash back without a surcharge; and
- other locations used to satisfy the minimum access standard, if any.

If access locations intended to serve the zip code are actually in a bordering zip code, they shall also be included on the zip code map.

Each type of cash access location shall be designated with a different symbol or color so that they are easily differentiated.

In the proposal, the Bidder is not required to demonstrate through mapping that minimum access is met. However, the Bidder shall provide a sample of the type of mapping that will be provided to meet this requirement.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.3 Documentation of Proximity and Distribution of Cash Access

The Contractor shall provide an analysis of the distribution of recipients in the county compared to available cash access locations. This shall include an analysis of the proximity and distribution of available access.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.6.4 Recipient Reference Documentation

The Contractor shall provide a monthly report to each county that chooses EBT for cash benefit issuance of locations where recipients may obtain cash. This report shall include those cash access locations used to satisfy minimum access requirements (i.e. \$200 or more without surcharge), as well as any other acquirers providing cash back, bill payment services, or financial services. The report shall describe, by street address, cash access available to recipients and any restrictions to access, including purchase requirements, limits on cash back, or surcharges at those locations. This report does not need to include acquirers accepting the EBT card only for purchase transactions.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.7 County Cash Access Plan

After contract award, the Contractor shall work closely with the State and CWDs to develop a County Cash Access Plan specific to each county that chooses to use EBT for cash benefit issuance. The State expects the Contractor and CWDs to consult with organizations representing and serving recipients. Each County Cash Access Plan shall be developed based on the geography of the county, density and distribution of the recipients in that county, and the State's minimum access standards. Where the commercial EFT infrastructure fails to meet the minimum access standard, the Contractor shall deploy cash access devices as needed to meet the minimum access requirement. The State and CWD must pre-approve any proposed locations for such deployment. The State would consider non-traditional locations such as utility companies, banks, housing authority offices, and other community locations.

The County Cash Access Plan will be a deliverable that the Contractor will submit to the State at the beginning of the planning and installation phase for each county five (5) months before

conversion is scheduled to begin in that county. All documentation required by Section 5.10.6 shall be provided in the first draft of the County Cash Access Plan at the start of the county review period. The County shall have the opportunity to review and comment on the cash access plan, and to consult with organizations representing and serving recipients. Upon receiving input from the County, the Contractor shall revise the County Cash Access Plan and submit it for State approval. The State must approve each County Cash Access Plan before conversion begins in that county.

The Contractor shall be required to implement cash access in each county according to the County Cash Access Plan that has been submitted by the Contractor and approved by the State. The State reserves the right to require the Contractor to supplement cash access if, as determined by the State, significant cash access inadequacies become apparent based on actual client usage.

Bidder understands and will comply: Yes _____ No _____

Reference Document: _____ Page(s) _____

Description: _____

5.10.8 Contractor's Fees for Cash Access

The proposal shall identify any transactions that will result in fees charged by the Contractor to the account after the first four (4) cash withdrawal transactions per month. See Section 6.6, Transaction Processing, regarding what types of transactions may result in a fee imposed by the Contractor on the recipient. The Contractor shall not be allowed to change the proposed fee structure during the term of the contract without prior approval of the State.

The amount of these fees must be shown in Section 7, Schedule 7. Do not show the proposed recipient transaction fees in this section

Bidder understands and will comply: Yes _____ No _____

Discussion (if any): _____

5.11 EBT System Innovation

5.11.1 Introduction

The State has adopted an approach for EBT System Innovation that is above and beyond the EBT system development and operations activities specified in Section 6, System and Operations Requirements. The Contractor will play a central role in EBT System Innovation during the life of this contract. Specifically, the Contractor will be expected to identify system improvement opportunities and evolve them into EBT System Innovation Recommendations. At State option,